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SENIOR VICE PRESIDENT
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18 August 2006

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The Honorable Tom Coburn, M.D.
United States Senate
Chairman, Subcommittee on Federal Financial Management
439 Hart Senate Office Building
Washington, DC 20510

Attn: Anna Shopen

Dear Senator Coburn:

I am responding to your letter of 27 July 2006 to President Brodhead regarding congressional earmarks to institutions of higher education. My colleagues at Duke and I appreciate your efforts to assure the wise expenditure of taxpayer dollars and we share your view of the importance of academic research to the nation. The federal government plays a vital partnership role in the process of scientific discovery and technology development that takes place on the nation's university campuses. In FY 2005 Duke received \$451.3 million in research awards from more than twenty federal agencies, though principally from the National Institutes of Health (NIH), the National Science Foundation (NSF), the Department of Defense (DOD) and the Department of Energy (DOE). All of this funding was allocated on merit through the agencies' competitive, peer-review processes. We are fully committed to the principle that the best way to distribute precious federal resources to university-based research is through this competitive process. Duke University operates under a research policy that is predicated on this principle.

With regards to your specific requests about Duke University and congressional earmarks, I am pleased to provide the following information.

- 1) **Please provide a list of all appropriations received by your institution from the year 2000 to present, and the amount of assistance received.**

Since FY 2000, Duke University has received one congressionally directed appropriation. This was in the amount of \$1,000,000 in 2001, from the Department of Health and Human Services, Health Care Financing Administration (CMS), to Duke University Medical Center for a pilot study "to demonstrate the potential savings in the Medicare program of a reimbursement system based on preventive care."

- 2) **Please provide a summary of the specific objectives or goals set to be achieved by an entity, program, project or service associated with an appropriation at your institution, and, for each appropriation, a list of accomplishments that can be**

attributed to the project, entity, program or service (e.g. published peer-reviewed research, etc., depending on the nature of the earmarks your intuition has received).

University officials neither requested nor advocated for this funding. Rather, it came as the result of a discussion between the university's chancellor for health affairs at that time and a leading member of Congress who was interested in identifying reimbursement incentives to promote wellness and preventative care as a means to secure potential cost savings for Medicare/Medicaid and the entire healthcare industry. Duke University Medical Center used the federal funds to develop a comprehensive patient risk assessment tool and conducted a demonstration project based on congestive heart failure. Outcomes of the pilot study concluded that the healthcare interventions for the identified disease improved patient wellness, decreased the use of medical resources, such as hospitalization and pharmaceuticals, and reduced medical cost. The research data were presented to the Centers for Medicare/Medicaid Services and were submitted for publication in the Journal of the American Medical Association. In addition, the study provided the basis for Duke Prospective Health, a healthcare program emphasizing early detection and disease prevention methods, which is now offered as a benefit to Duke University's employees.

- 3) **How does your institution set a measure for standards to achieve quality and outcomes for entities, programs, projects or services receiving assistance through earmarks or appropriations?**

While judgments of academic excellence are complex, Duke University is committed to the highest standards of research conduct. The university's Office of Research Support oversees the submission of project proposals, assuring compliance with all institutional requirements and sponsor guidelines.

Every ten years the university participates in an institutional self-study and external review for accreditation by the Southern Association of Colleges and Schools. This will take place for Duke over the next two and half years and will include a substantial focus on institutional assessment and improvement. In addition, since 1997, the university has compiled strategic indicators at the request of the Board of Trustees to monitor institutional issues, including sponsored research programs. Finally, every academic program at Duke is evaluated by external reviewers every six years. During these reviews, the quality and relevance of academic research is evaluated and scrutinized.

- 4) **Does your institution have a stated policy regarding Congressional earmarks or appropriations (if so, please describe)?**

Yes. Our policy is committed to the peer-review process. On 31 January 2006, President Brodhead and Duke's Senior Leadership Group reaffirmed the institution's longstanding policy in opposition to earmarks:

Duke University is committed to excellence in research and hence to competitive peer review in the federal funding of research. Research funded by earmarks threatens to undermine national excellence in research by diverting resources from the peer review process. As a result, the University does not seek or accept earmarks except under extraordinary circumstances and with the express permission of the President of the University. Such extraordinary circumstances would include only those in which the President, in consultation with the senior administrative leadership of the University, determined that the proposed project involved inherently unique circumstances that could not be replicated elsewhere. When the case for an exception is considered, the strong presumption must be against the taking of earmarks.

Does your institution have a policy regarding partnering in research projects with other universities who may have a differing policy?

Yes. Duke University's earmark policy governs both research at Duke and partnerships with other institutions.

- 5) **Has your institution considered hiring a lobbyist to assist your institution in attaining familiarity with the opportunities that may exist to obtain Federal funds for research – such as the earmarking process?**

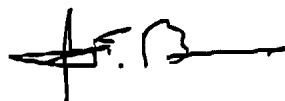
Yes, our institution has considered hiring a lobbyist to assist in attaining familiarity with the opportunities that may exist to obtain Federal funds for research.

- 6) **In conclusion, do you find Congressionally earmarked funds to have contributed in a substantive way to your academic institution?**

As noted earlier, Duke University believes that a competitive peer-review process should determine the allocation of scarce federal research dollars and has limited experience with congressionally earmarked funds. In this single instance, the funding has contributed to a health and wellness program that provides substantive benefit to our employees. We are currently assessing the program to determine the university's cost savings through our health insurance benefit. That information will be used to inform a model for cost savings that can be applied to a larger cohort.

Please let my office know if we can provide you with additional information. We would welcome the opportunity to have you visit our campus to see first-hand the exceptional research activities of importance to the nation in which Duke faculty and students are engaged with support from the Federal government's competitive grant programs.

Sincerely,



John F. Burness

cc: President Richard H. Brodhead
Provost Peter Lange
Chancellor Victor J. Dzau, M.D.